

SUMMARY NOTES OF THE FINANCE COMMITTEE
ZONE 7 BOARDS OF DIRECTORS

October 9, 2012
4:00 p.m.

Directors present: Angela Ramirez Holmes Zone 7 Staff: Jill Duerig, General Manager
Tamara Baptista, Financial & Systems
Services Manager
JaVia Green, Staff Analyst
Judy Rector, Board Secretary

Directors absent: Sandy Figuers
A. J. Machaevich

Director Ramirez Holmes called the meeting to order at 4:15 p.m. Staff made a public presentation to Director Ramirez Holmes.

1. Public Comment – None

2. Reserve Fund Policy

JaVia Green, Finance Staff Analyst, summarized summarized the recommended changes to the reserve policy.

Ms. Green pointed out that over the next five years, Zone 7 plans to spend down the newly-designated Rate Stabilization Reserve by \$5 million to smooth water rates.

Director Ramirez Holmes asked for public comments or questions.

Director Ramirez Holmes asked if we will have difficulty with the Rate Stabilization Reserve and unrestricted reserves because once you name an unrestricted reserve account, then it is designated. Ms. Duerig explained that a Board-designated reserve is different from restricted that have to be kept separate by state law or other outside entity. If the funds are designated, the Board can re-designate or authorize transfers. Designating gives clear direction to staff on how the Board is expecting staff to use the money.

John Archer, Financial Services Supervisor at Dublin San Ramon Services District, commented on how some of DSRSD's reserves have maximum targets that need to be reported back to the Board.

Director Ramirez Holmes expressed concerns about the levels of reserves.

Ms. Duerig said staff can look at suggestions and come back with an improved policy that either has a cap or better explains target levels so the policy is less ambiguous.

Mr. Archer commented that at DSRSD their replacement fund addresses what needs exist, what needs to be replaced, and what is needed year-to-year so they utilize reserves to offset rates in future years.

3. Staff Reports –

- a) Information Replying to Inquiry About Untreated Water
- b) Background Information on Water Rates

Director Ramirez Holmes did not have any questions on the staff reports. There were no questions from the public.

Director Ramirez Holmes concluded the meeting by asking for comparable water rates of other Bay Area agencies. Ms. Duerig assured her that the information is typically included in the final presentation to the Board in October.

Since there were no further issues or comments, the meeting was closed at 4:45 p.m.